

In the Supreme Court

CLERK

OF THE United States

OCTOBER TERM, 1996

WARNER-JENKINSON COMPANY, INC.,
Petitioner,
vs.
HILTON DAVIS CHEMICAL CO.,
Respondent.

BRIEF OF AMICUS CURIAE ON BEHALF OF SEAGATE TECHNOLOGY, INC. IN SUPPORT OF PETITIONER IN WHICH THE FOLLOWING CORPORATIONS JOIN:

3COM CORPORATION
BORLAND INTERNATIONAL, INC.
CHEVRON CORPORATION
CISCO SYSTEMS, INC.
COHERENT, INC.
EASTMAN MEDICAL PRODUCTS, INC.
GIRO SPORT DESIGN, INC.
HEWLETT-PACKARD COMPANY
READ-RITE CORPORATION
STORAGE TECHNOLOGY CORPORATION
SUN MICROSYSTEMS, INC.
UNION CARBIDE CORPORATION
WESTERN DIGITAL CORPORATION
WYKO CORPORATION

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TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| STATEMENT OF THE AMICI CURIAE | 2 |
| STATUTORY PROVISIONS INVOLVED | 2 |
| SUMMARY OF ARGUMENT | 4 |
| ARGUMENT | 5 |
| I. CONTRARY TO THE DECISION OF THE FEDERAL CIRCUIT, <i>GRAVER TANK</i> CONFIRMS THAT THE DOCTRINE OF EQUIVALENTS RESTS SOLELY IN EQUITY | 5 |
| A. Finding Infringement Under The Doctrine Of Equivalents Is As Much An Equitable Remedy For The Court Alone As Is The Reformation Of A Contract | 10 |
| B. That A Finding Of Equivalents Involves A Determination Of Fact Makes The Doctrine Of Equivalents No Less An Equitable Remedy | 13 |
| II. APPLICATION OF THE DOCTRINE OF EQUIVALENTS SHOULD <i>ALWAYS</i> INCLUDE CONSIDERATION OF CERTAIN EQUITABLE FACTORS..... | 16 |
| A. Actions Of The Patentee Should Be Considered Before Application Of The Doctrine Of Equivalents | 17 |
| B. The Doctrine Of Equivalents Is But A Substitute For A Reissue Which Is Itself An Equitable Remedy | 20 |
| C. Both Statutes And Case Law Require That The Relief Available For Infringement By Equivalents Should Involve The Same Equitable Considerations That Apply To Infringement Of A Reissue Patent | 23 |
| CONCLUSION | 25 |

TABLE OF AUTHORITIES

Cases

| | <u>Page(s)</u> |
|---|----------------------|
| <i>Andrews v. Essex Fire & Marine Ins. Co.</i> , 1 F. Cas. 885, 3 Mason 10 (1822) | 11 |
| <i>Baltzer v. Raleigh & Augusta Railroad Co.</i> , 115 U.S. 634 (1885) | 10, 11 |
| <i>Barton v. Barbour</i> , 104 U.S. (14 Otto) 126 (1881) | 13 |
| <i>Bate Refrigerating Co. v. Sulzberger</i> , 157 U.S. 1 (1894) | 10 |
| <i>Camp v. Boyd</i> , 229 U.S. 530 (1913) | 5, 6, 10, 12, 21, 25 |
| <i>Chauffeurs, Teamsters & Helpers, Local No. 391 v. Terry</i> , 494 U.S. 558 (1990) | 14 |
| <i>Craig v. Leslie</i> , 16 U.S. (3 Wheaton) 563 (1818) | 6 |
| <i>Curtis v. Loether</i> , 415 U.S. 189 (1974) | 14 |
| <i>Granfinanciera, S.A. v. Nordberg</i> , 492 U.S. 33 (1989) | 14 |
| <i>Graver Tank & Mfg. Co. v. Linde Air Products Co.</i> , 339 U.S. 605 (1950) | passim |
| <i>Hearne v. New England Mutual Marine Ins. Co.</i> , 87 U.S. (20 Wall.) 488 (1874) | 12 |
| <i>Hilton Davis Chemical Co. v. Warner-Jenkinson Co., Inc.</i> , 62 F.3d 1512 (Fed. Cir. 1995) | 2, 9, 16, 17, 23 |
| <i>Interstate Circuit v. United States</i> , 304 U.S. 55 (1938) | 14, 16 |
| <i>Ivinson v. Hutton</i> , 98 U.S. (8 Otto) 79 (1878) | 10, 11 |

TABLE OF AUTHORITIES

Cases

| | <u>Page(s)</u> |
|--|----------------|
| <i>Katchen v. Landy</i> , 382 U.S. 323 (1966) | 13 |
| <i>Keystone Bridge Co. v. Phoenix Iron Co.</i> , 95 U.S. (5 Otto) 274 (1877) | 18 |
| <i>Los Angeles Gas & Electric Corp. v. Railroad Com. of California</i> , 289 U.S. 287 (1933) | 16 |
| <i>McClure v. United States</i> , 116 U.S. 145 (1885) | 13 |
| <i>Miller v. Bridgeport Brass Co.</i> , 104 U.S. (14 Otto) 350 (1881) | 20-23 |
| <i>Mitchell v. Robert DeMario Jewelry, Inc.</i> , 361 U.S. 288 (1960) | 14 |
| <i>Moore v. United States</i> , 91 U.S. (1 Otto) 270 (1875) | 13, 14 |
| <i>Northern Assurance Co. v. Grand View Building Assoc.</i> , 183 U.S. 308 (1901) | 10, 11 |
| <i>Parsons v. Bedford, Breedlove & Robeson</i> , 28 U.S. (3 Pet.) 433 (1830) | 13 |
| <i>Philippine Sugar Estates Development Co. v. Government of Philippine Islands</i> , 247 U.S. 385 (1918) | 11 |
| <i>Royal Typewriter Co. v. Remington Rand, Inc.</i> , 168 F.2d 691 (2d Cir. 1948) | 6-8, 10 |
| <i>S & E Contractors, Inc. v. United States</i> , 406 U.S. 1 (1972) | 10 |
| <i>Snell v. Atlantic Fire & Marine Ins. Co. of Providence</i> , 98 U.S. (8 Otto) 85 (1878) | 11 |

TABLE OF AUTHORITIES

Cases

Page(s)

| | |
|--|---------------|
| <i>Tull v. United States</i> , 481 U.S. 412 (1987) | 13, 14 |
| <i>Union Carbide Corp. v. Graver Tank & Mfg. Co., Inc.</i> , 196 F.2d 103 (7th Cir. 1952), cert. denied, 343 U.S. 967 (1952), reh'g denied, 344 U.S. 849 (1952) | 23 |
| <i>United States v. Colorado Anthracite Co.</i> , 225 U.S. 219 (1912) | 5 |
| <i>United States v. Milliken Imprinting Co.</i> , 202 U.S. 168 (1906) | 11 |
| <i>United States v. Old Settlers</i> , 148 U.S. 427 (1893) | 12 |
| <i>Walden v. Skinner</i> , 101 U.S. (11 Otto) 577 (1879) | 11, 15 |
| <i>Winans v. Denmead</i> , 56 U.S. (15 How.) 330 (1853) | 7, 12, 15, 18 |

Rules and Statutes

| | |
|---|---------------|
| 35 U.S.C. § 112 | 2, 15, 18 |
| 35 U.S.C. § 251 | 3, 24 |
| 35 U.S.C. § 252 | 3, 18, 20, 24 |
| Equity Rule 70½ | 15 |
| Federal Rules of Civil Procedure, Rule 52 | 15 |

Treatise

| | |
|--|----|
| J. Calamari, <i>Law of Contracts</i> , (2d ed. 1997) | 10 |
|--|----|

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STATEMENT OF THE AMICI CURIAE

The parties listed above as amici curiae file this brief in the appeal of *Hilton Davis Chemical Co. v. Warner-Jenkinson Company, Inc.*, 62 F.3d 1512 (Fed. Cir. 1995). Written consent to the filing of this brief has been obtained from the petitioner and the respondent and is being filed herewith.

Amici consist of several high technology companies which owe much of their success to their innovative technology. Collectively, these amici are the owners of thousands of patents, and thus, share the same interest in having a reliable patent system as an integral part of the intellectual property landscape. As such, amici need to have some measure of certainty in determining their own strengths and vulnerabilities when reviewing their own patent portfolios, and likewise, when a patent has been asserted against them.

The Federal Circuit's decision in *Hilton Davis* erroneously makes the doctrine of equivalents an unreasonable part of the infringement analysis in every patent case. Now, the review of every allegedly infringed patent must include not only an evaluation of the scope of the stated claims, but must also somehow incorporate use of a crystal ball to "guesstimate" how far a given case will be stretched by the doctrine of equivalents.

Amici urge the Court to reverse the Federal Circuit's decision in *Hilton Davis*.

STATUTORY PROVISIONS INVOLVED

35 U.S.C. § 112, second paragraph, provides in pertinent part that:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

35 U.S.C. § 251, 4th paragraph, provides that:

No reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within two years from the grant of the original patent.

35 U.S.C. § 252 of the patent statute provides that:

The surrender of the original patent shall take effect upon the issue of the reissued patent, and every reissued patent shall have the same effect and operation in law, on the trial of actions for causes thereafter arising, as if the same have been originally granted in such amended form, but insofar as the claims or the original and reissued patents are identical, such surrender shall not affect any action then pending nor abate any cause of action then existing, and the reissued patent, to the extent that its claims are identical with the original patent, shall constitute a continuation thereof and have effect continuously from the date of the original patent.

No reissued patent shall abridge or affect the right of any person or his successors in business who made, purchased or used prior to the grant of a reissue anything patented by the reissued patent, to continue the use of, or to sell to others to be used or sold, the specific thing so made, purchased or used, unless the making, using or selling of such thing infringes a valid claim of the reissued patent which was in the original patent. The court before which such matter is in question may provide for the continued manufacture, use or sale of the thing made, purchased or used as specified, or for the manufacture, use or sale of which substantial preparation was made before the grant of the reissue, and it may also provide for the continued practice of any process patented by the reissue, prac-

ticed, or for the practice of which substantial preparation was made, prior to the grant of the reissue, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced before the grant of the reissue.

SUMMARY OF ARGUMENT

The doctrine of equivalents is an equitable exception to the rule that the literal terms of patent claims define infringement. A favorable application of the doctrine can afford a remedy to the patentee beyond that which could have been provided had the patent claims been literally applied. In this way, application of the doctrine acts in much the same manner as reformation of a contract. In both cases, the court alone goes beyond the literal letter of the law to afford the injured party a remedy in equity. In both cases, the court considers appropriate equitable factors before determining whether the remedy is even warranted.

In *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605 (1950), this Court recognized that the following factors should be considered before application of the doctrine: (1) whether the accused device was the result of copying or independent development; (2) whether those skilled in the art had knowledge of the interchangeability of the contested elements; and (3) the pioneer or primary status of the claimed invention. To the *Graver Tank* factors, Judge Lourie, in his dissent below, suggested that the following factors be added: (1) anything done by the patentee that would impair the ability of the public to reasonably understand from the claims what is being patented; and (2) the failure of the patentee to seek reissue of the original patent to cover the accused embodiment. *Hilton Davis*, 62 F.3d at 1547 (*Lourie, J., dissenting*).

Thus, application of the doctrine of equivalents should involve weighing of equitable factors on *both* sides, those

favoring the patentee and those favoring the alleged infringer. Moreover, the actions of the patentee (e.g., his failure to seek a reissue or his excessive delay in bringing the infringement action) may figure prominently in the equities determining the applicability of the doctrine, while the actions of the accused infringer (e.g., whether there was copying or independent development or traditional grounds for intervening rights) may have more impact in the resulting relief aspect of the case involving damages and injunctions. Furthermore, as a matter in equity, application of the doctrine (both in the decision to apply the doctrine and the resulting relief) lays within the province of the judge, not a jury.¹

Despite this Court's clear precedents, the Federal Circuit failed to recognize and apply the *Graver Tank* factors in the manner instructed by this Court. It also ignored the equitable status of the doctrine, and instead erroneously left to the jury the task of going outside the patent claims to provide an equitable remedy for the patentee.

ARGUMENT

I.

CONTRARY TO THE DECISION OF THE FEDERAL CIRCUIT, GRAVER TANK CONFIRMS THAT THE DOCTRINE OF EQUIVALENTS RESTS SOLELY IN EQUITY.

This Court has long acknowledged and heeded the age-old adage that "equity regards as done that which ought to be done." *Camp v. Boyd*, 229 U.S. 530, 559 (1913); *United*

¹ In a case where there is no literal infringement and the only relief available is equitable relief under the doctrine of equivalents, there should be no right to a jury trial under classic application of the Seventh Amendment to the U.S. Constitution

States v. Colorado Anthracite Co., 225 U.S. 219, 223 (1912); *Craig v. Leslie*, 16 U.S. (3 Wheaton) 563, 578 (1818). Courts are often called upon to go beyond the "law" (particularly when interpreting legal documents such as contracts) to provide a remedy which will insure that the application of the "literal" law does not result in injustice. *Craig*, 16 U.S. at 578. When a court does so, it is acting in "equity." While making reference to the learned and often quoted Second Circuit Judge Learned Hand in *Royal Typewriter Co. v. Remington Rand, Inc.*, 168 F.2d 691, 692 (2d Cir. 1948), this Court confirmed, in the seminal decision of *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605, 608 (1950), that where the legal document was a patent, the goal of "equity" is the same: to do "that which ought to be done." *Camp*, 229 U.S. at 559.

This Court recognized that a rigid application of patent law can at times be strict and unbending and may deny relief where it should be justly awarded. To prevent such injustice, this Court, in *Graver Tank*, again gave its approval to the then century old "doctrine of equivalents." *Id.* The Court acknowledged that the doctrine had evolved to prevent "a fraud on a patent" where a patentee is unable to prove literal infringement. *Id.* Thus, the doctrine of equivalents clearly came into being in order to provide a remedy in certain circumstances where the patentee's legal claim of literal infringement had failed.

This Court in *Graver Tank* used words like "piracy" and "fraud" to both explain the basis for the doctrine and to impress that resort to the doctrine should only be had in extreme or extraordinary circumstances. In further explaining the basis for the doctrine, the Court embraced the wisdom of Judge Learned Hand in *Royal Typewriter*, and quoted with approval his decision to apply the doctrine of equivalents "[t]o temper unsparing logic and prevent an infringer from stealing the benefit of the invention." *Graver*

Tank, 339 U.S. at 608. To be sure, Judge Hand viewed and applied the doctrine of equivalents as one in equity, and this Court has expressly approved of his reasoning in doing so. *Id.*

Nevertheless, the Federal Circuit wrestled needlessly with the question of whether the doctrine of equivalents was one in "equity" or one in "law." It unfortunately reached the wrong conclusion. The majority below had only to look to *Graver Tank* and this Court's approval of Judge Learned Hand's decision in *Royal Typewriter*. Judge Hand's opinion rested on a long line of precedent from this Court, including *Winans v. Denmead*, 56 U.S. (15 How.) 330 (1853).²

² *Winans v. Denmead* was the first occasion where this Court went outside of the patent claims to find infringement and held a defendant liable for infringement despite the fact that it was not infringing a specific claim limitation. In reaching its decision, the Court appears to have relied upon the language in the claim that referred back to the specification to apply the traditional "central claiming" rule of construction which provides that when a patentee claims his invention as described, he is understood to claim not only the particular machine described, but all other embodiments of the machine even though there is a change in form. 56 U.S. at 341.

However, the majority position was taken over a vigorous dissent by four Justices, including Justice Taney. The dissent, written by Justice Campbell, would have held the patentee to his express claim limitation. The dissent noted that under the Patent Act, the patentee is obliged "to describe his invention, in such full, clear, and exact terms, that from the description, the invention may be constructed and used. Its principle and modes of operation must be explained; and the invention shall particularly 'specify and point' out what he claims as his invention." Moreover, the dissent feared that "a relaxation of these wise and salutary requisitions of the act of Congress" would result in "mischievous, . . . oppressive and costly litigation, . . . exorbitant and unjust pretensions and vexatious demands." *Id.*, at 347 (*Campbell, J., dissenting*).

However, the majority's holding can be explained by noting that the defendant was a clear pirate, who (after visiting the patentee's railroad yard, measuring and taking notes) reproduced its own substitute railroad car with the same gauge steel (a critical benefit of the invention) as the

Judge Hand enunciated the doctrine as one exercised in equity in order to obtain a "just result," and noted that:

[A] patent is like any other legal instrument; but it is peculiar in this, that after all aids to interpretation have been exhausted, and the scope of the claims has been enlarged as far as the words can be stretched, *on proper occasions courts make them cover more than their meaning will bear*. If they applied the law with inexorable rigidity, they would never do this, but would remit the patentee to his remedy of re-issue, and that is exactly what they frequently do. Not always, however, *for at times they resort to the "doctrine of equivalents" to temper unsparing logic and prevent an infringer from stealing the benefit of the invention. No doubt, this is, strictly speaking, an anomaly;* but it is one which courts have frankly faced and accepted almost from the beginning. All patents are entitled to its benefit to an extent, measured on the one hand by their contribution to the art, and on the other by the degree to which it is necessary to depart from the meaning to reach a just result.

Royal Typewriter, 168 F.2d at 692 (*emphasis added*) (*internal citations omitted*).

Similarly, in order to reach a "just result," this Court in *Graver Tank* applied the same doctrine to ensure that "fraud on a patent" would not lie when the essence of a claimed invention had been appropriated. *Graver Tank*, 339 U.S. at 608. The same balance enunciated by Judge Learned Hand thus laid the foundation for this Court's decision in *Graver Tank*, and continues to this day undisturbed as the rationale for granting relief to a patentee where

patentee's car. The defendant varied only the shape of the car, an immaterial element, from the shape claimed.

literal infringement cannot be proven, and the letter of the law affords no relief.

Notwithstanding this clear precedent, the Federal Circuit became confused. It no doubt took this Court's holding that "[a] finding of equivalence is a determination of fact" to mean that only a "jury" can make such determinations. This flawed reasoning resulted in the Federal Circuit's declaration that this Court has not previously dealt with the "doctrine of equivalents" as one in "equity." It then erroneously categorized the doctrine as one at "law," thus leaving factual determinations in the arena of the jury, when a jury is used. With this initial error, the majority in *Hilton Davis* went on to conclude that:

By referring to the doctrine as a doctrine of fairness, *neither the Supreme Court nor this court has invoked the myriad implications of an alternative to legal remedies*. In addition, neither the Supreme Court nor this court has invoked equity in the technical sense of a set of *principles originating in England to compensate for the historically harsh rules of common law*. *Graver Tank* does not discuss any of the principles commonly attending the chancellor's invocation of equitable power, such as the "unclean hands" doctrine, the elevated burden of proof, the abuse of discretion standard of review, or the mandatory balancing of the equities.

Hilton Davis, 62 F.3d at 1521 (*emphasis added*).

The majority, thus, completely misunderstood the *Graver Tank* Court's instructions and rationale for applying the doctrine of equivalents. Once the majority committed the fatal error of not understanding the doctrine as one in "equity," it had set itself upon a course of reasoning from which there was no return.

A. Finding Infringement Under The Doctrine Of Equivalents Is As Much An Equitable Remedy For The Court Alone As Is The Reformation Of A Contract.

As was acknowledged by Judge Learned Hand, "a patent is like any other legal instrument." *Royal Typewriter*, 168 F.2d at 692. An appropriate analogy can be drawn between a patent and a contract where a patent is viewed in the classic sense as a contract between the United States government and the patentee. *See, e.g., S & E Contractors, Inc. v. United States*, 406 U.S. 1, 15 (1972); *Bate Refrigerating Co. v. Sulzberger*, 157 U.S. 1 (1894).

Just as equity occasionally intercedes to correct an error in a contract in order to provide a remedy where none exists at law (*i.e.*, performance within the four corners of the agreement), equity at times intervenes to provide a remedy for a patentee where the legal remedy has failed (*i.e.*, literal infringement of the claims). In both instances, equity is said to intervene to do "that which ought to be done." *Camp v. Boyd*, 229 U.S. at 559.

In the case of a contract, the general rule of law is that the terms, conditions and remedies of the contracting parties are defined within the four corners of the written agreement. J. Calamari, *Law of Contracts*, (2d ed. 1977). Thus, where the parties have freely entered into the contract, they must live with its terms, since a court is *only* capable of enforcing the contract as it is written. However, the reality of the harshness of this rule has been long recognized by this Court. *See, e.g., Iverson v. Hutton*, 98 U.S. (8 Otto) 79, 82 (1878).

For nearly a century this Court has been mindful that in a contract, "a mistake cannot be corrected, in conformity with our judicial system, in a court of law." *Northern Assurance Co. v. Grand View Building Asso.*, 183 U.S. 308, 334 (1901); *see also, Baltzer v. Raleigh & Augusta Railroad Co.*,

115 U.S. 634, 645 (1885). However, preferring not to leave the contracting parties without a remedy, due solely to a mistake in their agreement, the *Northern Assurance* Court went beyond the terms of the contract to fashion a remedy in equity and noted that:

No one can doubt that, in a proper case of this kind, an equitable remedy exists. 'There cannot be, at the present day,' says Mr. Justice Story, 'any serious doubt that a court of equity has authority to reform a contract, where there has been an omission of a material stipulation by mistake. . .

Northern Assurance Co., 183 U.S. at 334 (*citing Andrews v. Essex Fire & Marine Ins. Co.*, 1 F. Cas. 885, 3 Mason 10, (1822)); *see also, Walden v. Skinner*, 101 U.S. (11 Otto) 577, 583 (1879).

Thus, this Court has before it nearly two centuries of precedents for providing a remedy in equity to relieve contracting parties of their mutual mistakes. Typically, the remedy has been to reform the contract to reflect the parties' true intent. Accordingly, "[i]t is well settled that courts of equity will reform a written contract where, owing to mutual mistake, the language used therein did not fully or accurately express the agreement and intention of the parties." *Philippine Sugar Estates Development Co. v. Government of Philippine Islands*, 247 U.S. 385, 389 (1918) (*citing Snell v. Atlantic Fire & Marine Ins. Co. of Providence*, 98 U.S. (8 Otto) 85, 88-91 (1878)); *Baltzer*, 115 U.S. at 645.

Furthermore, this Court has carefully mandated that "reformation is not an incident to an action at law, but can be granted only in equity." *United States v. Milliken Imprinting Co.*, 202 U.S. 168, 173 (1906); *see also, Iverson*, 98 U.S. at 82 ("Power to reform written contracts for fraud or mistake is everywhere conceded to courts of equity, and it is equally clear that it is a power which cannot be exercised by

common law courts"); *Hearne v. New England Mutual Marine Ins. Co.*, 87 U.S. (20 Wall.) 488, 490 (1874).

As in the case of a contract, mistakes in a patent can be corrected in court only in equity. To be sure, the *Graver Tank* Court was fully cognizant that the remedy that it was called upon to provide was not one which was available at law. That is, the remedy did not flow from the literal claims of the patent and the Court acknowledged as much when it observed that: "[i]f accused matter falls within the claims, infringement is made out and that is the end of it." *Graver Tank*, 339 U.S. at 607. But, that was not "the end of it" in *Graver Tank*. That the Court in *Graver Tank* knew that it was initially confronted with a remedy which could only be rendered in equity, was clear when it pointed out the many equitable considerations which must go into the balance in applying the doctrine of equivalents.

Even prior to *Graver Tank*, this Court approved of a resort to equity to provide a remedy to the patentee where it was clear that were the patentee to be held to the letter of his claims, an injustice would result. *Winans v. Denmead*, 56 U.S. (15 How.) 330 (1853). This remedy of patent reformation (as it may be called) has come to be known as the doctrine of equivalents and it "regards as done that which ought to be done." *Camp v. Boyd*, 229 U.S. at 559. The doctrine allows a court to look beyond the four corners of the patent and the literal language of the claims (as the law mandates) to determine exactly what it was (what was the invention) that the parties intended to protect. In exercising its equitable powers to afford justice, the court then grants to the patentee the entire invention which both parties (the patentee and the government) must have intended be covered in the original patent. See, e.g., *United States v. Old Settlers*, 148 U.S. 427, 464 (1893) (holding a court has the discretion to reform a contract in order to render a judgment which is right between claimants and the government); see

also, *McClure v. United States*, 116 U.S. 145, 149 (1885) for the same proposition. This is equity and nothing more.

B. That A Finding Of Equivalents Involves A Determination Of Fact Makes The Doctrine Of Equivalents No Less An Equitable Remedy.

It is well settled that "the right of trial by jury does not extend to cases of equity jurisdiction." This Court has held that:

If it be conceded or clearly shown that a case belongs to this class [equity], the trial of questions involved in it belongs to the court itself, no matter what may be its importance or complexity.

Katchen v. Landy, 382 U.S. 323, 337 (1966) (citing *Barton v. Barbour*, 104 U.S. (14 Otto) 126, 133-34 (1881)); see also, *Moore v. United States*, 91 U.S. (1 Otto) 270 (1875). Thus, once a matter is properly in equity, all issues whether they be of fact or law are to be decided by the court alone. *Moore*, 91 U.S. at 273.

As such, the right to a jury trial guaranteed to cases at law by the Seventh Amendment to the United States Constitution has no application to equity cases. The Seventh Amendment provides in pertinent part that: "In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved." The phrase "at common law" refers to "suits in which legal rights [are] to be ascertained and determined, in contradistinction to those where equitable rights alone [are] recognized, and equitable remedies [are] administered." *Parsons v. Bedford, Breedlove & Robeson*, 28 U.S. (3 Pet.) 433, 447 (1830) (emphasis in original).

In order to determine whether legal rights are involved, courts resort to the well-established two-prong test enunciated in *Tull v. United States*, 481 U.S. 412 (1987). "First, we compare the statutory action to 18th-century actions

brought in the courts of England prior to the merger of the courts of law and equity. Second, we examine the remedy sought and determine whether it is legal or equitable in nature." *Id.* at 417-18 (*internal citations omitted*). "The second stage of this analysis is more important than the first." *Granfinanciera, S.A. v. Nordberg*, 492 U.S. 33, 42 (1989).

As previously noted, the doctrine of equivalents (which has no statutory basis), is most analogous to contract reformation. In 18th-century England, contract reformation was clearly an action at equity.

More importantly, the remedy sought under the doctrine of equivalents is equitable. It is of no consequence in applying this remedy that factual issues must be determined. This Court has long held that in equity, issues of fact are properly determined by the court alone. *Moore*, 91 U.S. at 273; *Interstate Circuit v. United States*, 304 U.S. 55, 56 (1938).

Furthermore, it matters not in the least that in the application of this remedy where the court is "reforming" the patent, that the patentee is awarded money damages in the form of restitution, since this Court has similarly recognized that money damages can be equitable. *Chauffeurs, Teamsters & Helpers, Local No. 391 v. Terry*, 494 U.S. 558, 570 (1990); *Curtis v. Loether*, 415 U.S. 189, 197 (1974). Likewise, this Court has instructed that "a monetary award 'incidental to or intertwined with injunctive relief' may be equitable." *Curtis*, 415 U.S. at 197 (*citing Tull*, 481 U.S. at 424); *see also, Mitchell v. Robert DeMario Jewelry, Inc.*, 361 U.S. 288, 292 (1960). As such, the fact that money may change hands makes the remedy no less equitable and the issue no less a matter for the court acting alone.³

³As with a contract, the reformation of a contract may well result in the court awarding money damages as a part of the remedy, yet the

Through application of the doctrine of equivalents, a patentee is generally seeking relief in the form of an injunction and compensation for infringement which would have been available had there been literal infringement. However, since the patentee did not claim his invention as broadly as he could have, in compliance with the mandate of 35 U.S.C. § 112, he is forced now to rely solely on the equitable remedy of the doctrine of equivalents.⁴ *See, Winans v. Denmead*, 56 U.S. at 347 (*Campbell, J., dissenting*).

Inasmuch as application of the doctrine of equivalents affords an equitable remedy (affording a remedy where none exists at law), there is no Seventh Amendment right to a jury. The job, then, is one for the court alone, acting in equity.

The Federal Circuit was apparently not listening to this Court's explicit instructions and guidance in applying the equitable doctrine of equivalents. Instead, the Federal Circuit continually referred to the fact that there were "factual determinations" which it said required application of the doctrine of equivalents to be made by a jury. The court refused to accept that a court sitting in equity is not only fully capable of making factual determinations, but is required to do so. As this Court has previously noted, old Equity Rule 70½, which essentially became Fed. R. Civ. Pro. 52, provided: "In deciding suits in equity, including those required to be heard before three judges, the court of first instance shall find the facts specially and state sepa-

matter of reforming that contract and handing out damages as a result remains a remedy which only a court may apply. *See, Walden v. Skinner*, 101 U.S. 577 (1879).

⁴Section 112, second paragraph, of the Patent Statute provides in pertinent part that a patent specification shall:

conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

rately its conclusions of law thereon." *Interstate Circuit*, 304 U.S. at 56 (1938) (*emphasis added*); see also, *Los Angeles Gas & Electric Corp. v. Railroad Com. of California*, 289 U.S. 287, 328-29 (1933) (*Butler, J., dissenting*).

Consequently, the involvement of facts in the determination of whether or not to apply the doctrine of equivalents is immaterial to the question of whether application of the doctrine is left to a judge or jury. Rather, the doctrine must be seen as one in equity which affords an equitable remedy. The equitable decision of whether or not to apply the doctrine, and then how to apply it in individual cases, must be made by a court, as there is no right to a jury trial in equity cases.

II.

APPLICATION OF THE DOCTRINE OF EQUIVALENTS SHOULD ALWAYS INCLUDE CONSIDERATION OF CERTAIN EQUITABLE FACTORS.

Since application of the doctrine of equivalents favors an equitable result at the expense of legal certainty (at least as far as the meaning and scope of patent claims are concerned), it is appropriate to consider specific equitable factors to determine whether or not application of the doctrine is warranted. This Court's *Graver Tank* decision is instructive on a number of these factors; yet, the Federal Circuit again misread *Graver Tank* and completely missed the mark in applying, or rather in not applying those factors in *Hilton Davis*, 62 F.3d at 1521.

Although the majority may have been confused in its reading of *Graver Tank*, Judge Lourie's dissent shows that he fully comprehended this Court's decision and its application to the fundamental tenets of patent law. In his dissent, Judge Lourie recognized the doctrine of equivalents for what it is, an equitable remedy which is an exception to the

rule that patentees are limited to what they literally claim. *Hilton Davis*, 62 F.3d at 1550 (*Lourie, J., dissenting*).

Moreover, Judge Lourie correctly pointed out that in *Graver Tank*, this Court enumerated many factors beyond and unrelated to the "substantiality of the differences" test which should be considered *before* a court decides to go beyond the literal meaning of a patent claim and delve into the realm of equity. These other factors included: (1) whether the accused device was the result of copying or independent development; (2) whether those skilled in the art had knowledge of the interchangeability of contested elements; and (3) the pioneer or primary status of the claimed invention. *Graver Tank*, 339 U.S. at 607-8. As Judge Lourie so keenly recognized, these additional factors go far beyond a determination of the "substantiality or insubstantiality of the differences" between the accused product or process and what is covered by the patent, and unquestionably place the doctrine of equivalents in the realm of "equity." It is clear that this Court in *Graver Tank* viewed these factors as critical parts of the balancing test which determine where the equities lie when deciding whether the circumstances of the case justify a remedy for the patentee beyond the failed legal remedy.

A. Actions Of The Patentee Should Be Considered Before Application Of The Doctrine Of Equivalents.

In addition to the Court's *Graver Tank* factors, Judge Lourie noted two additional factors which should be considered by courts in their decisions to grant equitable relief where there is no literal infringement. These factors focus on activities of the patentee and include: (1) anything done by the patentee that would impair the ability of the public to reasonably understand from the claims what is being patented; and (2) the failure of the patentee to seek reissue of the original patent to cover the accused embodiment. *Hilton Davis*, 62 F.3d at 1547 (*Lourie, J., dissenting*).

Inasmuch as a patent applicant is required by 35 U.S.C. § 112, second paragraph, to conclude the patent specification with "one or more claims *particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention*," the only time that the doctrine of equivalents becomes an issue is when the patentee has failed to obtain a claim which is narrow enough to be valid, yet broad enough to be literally infringed. See *Winans v. Denmead*, 56 U.S. at 347 (*Campbell, J., dissenting*).

Thus, the underlying assumption in all doctrine of equivalents cases is that the patentee could have, but did not, obtain a claim in the Patent Office which would literally read on the accused product or process. *Hilton Davis*, 62 F.3d at 1549 (*Lourie, J., dissenting*). Clearly then, this factor ought to weigh against the patentee and in favor of the public (including the unknowing infringer) in considering whether or not the doctrine of equivalents should even be considered as a remedy.

As Judge Lourie so aptly pointed out in his dissent, the fact that the patentee has not undertaken to have the original patent reissued in order to get claims which more accurately notify the public of what is being claimed, should act as a form of laches. *Id.* Again, this factor should likewise weigh against application of the doctrine of equivalents as it does in all other cases of equity. See, *Keystone Bridge Co. v. Phoenix Iron Co.*, 95 U.S. (5 Otto) 274, 278 (1877); *Merrill v. Yeomans*, 94 U.S. 568, 573 (1876).

Thus, where the patentee has failed to claim the invention under 35 U.S.C. § 112 as well as he should have and to avail himself of the benefits of 35 U.S.C. § 252 to correct that problem, the patentee should bear some accountability for the dilemma he creates for the public, which will not know from the patent claims exactly what is covered by the patent. *Merrill v. Yeomans* 94 U.S. at 573. This factor weighs against application of the doctrine since there is a

compelling public interest to permit industry and those skilled in the art to operate with some degree of certainty, particularly in making decisions about investments in new products and other developments. It is imperative that businesses have a sense of security to operate and develop their activities without the chilling effect of a potential *mega* jury verdict for infringement of a patent claim that was never literally infringed and of which it had no prior notice.⁵

Another factor which should be placed in the balance is consideration of the time at which the accused infringer becomes aware of the infringement. In many instances, the alleged infringer may become aware of his liability for infringing a claim (not previously examined by the Patent Office) long after this infringement has begun. The alleged infringer has no way of knowing he is in trouble until the patentee finally gets around to bringing suit, and the court decides to apply the doctrine of equivalents to find infringement. Again, since the patentee made the decision not to return to the Patent Office to seek reissue, this factor as another form of laches, should weigh against going beyond the literal claims to afford the patentee a remedy. The delay

⁵ Indeed Justice Black appreciated this dilemma for the public, when, in his *Graver Tank* dissent he expressed the following concern:

The Court's ruling today sets the stage for more patent "fraud" and "piracy" against business than could be expected from faithful observance of the congressionally enacted plan to protect business against judicial expansion of precise patent claims. Hereafter a manufacturer cannot rely on what the language of a patent claims. He must be able, at the peril of heavy infringement damages, to forecast how far a court relatively unversed in a particular technological field will expand the claim's language after considering the testimony of technical experts in that field. To burden business enterprise on the assumption that men possess such a prescience bodes ill for the kind of competitive economy that is our professed goal.

Graver Tank, 339 U.S. at 617 (*Black, J. dissenting*).

was occasioned by the patentee and it should not inure to his benefit.

B. The Doctrine Of Equivalents Is But A Substitute For A Reissue Which Is Itself An Equitable Remedy.

As early as 1881, this Court recognized the reissuance of a patent pursuant to § 252⁶ of the current Patent Act (and its predecessor statutes) to be an equitable remedy, in exchange for which the patentee had to show that he had proceeded with "due diligence" and without "unreasonable delay" if the goal was to broaden the patent claims. *Miller v.*

⁶Section 252 of the patent statute provides that:

The surrender of the original patent shall take effect upon the issue of the reissued patent, and every reissued patent shall have the same effect and operation in law, on the trial of actions for causes thereafter arising, as if the same have been originally granted in such amended form, but insofar as the claims or the original and reissued patents are identical, such surrender shall not affect any action then pending nor abate any cause of action then existing, and the reissued patent, to the extent that its claims are identical with the original patent, shall constitute a continuation thereof and have effect continuously from the date of the original patent.

No reissued patent shall abridge or affect the right of any person or his successors in business who made, purchased or used prior to the grant of a reissue anything patented by the reissued patent, to continue the use of, or to sell to others to be used or sold, the specific thing so made, purchased or used, unless the making, using or selling of such thing infringes a valid claim of the reissued patent which was in the original patent. The court before which such matter is in question may provide for the continued manufacture, use or sale of the thing made, purchased or used as specified, or for the manufacture, use or sale of which substantial preparation was made before the grant of the reissue, and it may also provide for the continued practice of any process patented by the reissue, practiced, or for the practice of which substantial preparation was made, prior to the grant of the reissue, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced before the grant of the reissue.

Bridgeport Brass Co., 104 U.S. (14 Otto) 350, 352 (1881). Noting that where a specific device or combination is claimed in a patent, the public has a right to rely on the "implied disclaimer" of all that is omitted from the claims, the *Miller* Court held that:

This legal effect of the patent cannot be revoked unless the patentee surrenders it and proves that the specification was framed by real inadvertence, accident, or mistake, without any fraudulent or deceptive intention on his part; and this should be done with all due diligence and speed. *Any unnecessary laches or delay in a matter thus apparent on the record affects the right to alter or reissue the patent for such cause.*

Id. at 352 (*emphasis added*).

Without question, the issuance of a reissue patent, like reformation of a contract, is an equitable remedy which benefits the patentee by permitting it to claim something other than that which was literally claimed in the original patent. Furthermore, the *Miller* Court went to great lengths to convey that the whole intent behind the reissue statute is to grant to the patentee that which "ought to have been done" in the first instance. *Camp*, 229 U.S. at 559. The Court's use of terms such as "due diligence," "laches," "inadvertence," "mistake," "slept upon his rights" to describe the conduct of the patentee and "reliance" in connection with the public's conduct, clearly places the reissue proceeding in "equity." *Miller*, 104 U.S. at 352-6. Moreover, the *Miller* Court was careful to characterize the level of conduct by a patentee which would justify the broadening of claims in a reissue, to be "a real bona fide mistake, inadvertently committed; such as a Court of Chancery, in cases within its ordinary jurisdiction, would correct." *Id.* at 355.

Such characterization squarely places this relief as well in the realm of "equity."⁷

That there is a clear analogy between the doctrine of equivalents and the reissue procedure appears self evident. Nevertheless, this relationship was expressly acknowledged by Justice Hugo Black in his dissent to this Court's *Graver Tank* decision.⁸ Although disagreeing with this Court's application of the doctrine of equivalents, Justice Black recognized that the doctrine could and would be used as a way to contravene the Court's imposition of a two year limitation to broaden claims in a reissue patent. *Graver Tank*, 339 U.S. at 616.⁹

⁷ Again, the analogy to contract reformation is apparent since the patentee in a reissue proceeding is able to return to the government and get claims to cover his entire invention. The patentee must, however, establish that the equities are in his favor (*i.e.*, no unreasonable delay, fraud, etc.), and that he is entitled to the claims sought.

⁸ In addition to pointing out the analogy between the doctrine of equivalents and the reissue procedure, Justice Black noted his concern that the doctrine of equivalents would permit a patentee to broaden his claims even beyond what might be considered a reasonable period. *Miller*, 104 U.S. at 350 (the Court found the period of time to be unreasonably long for patentee to return to the Patent Office to broaden claims). *Graver Tank*, 339 U.S. at 615 (*Black J., dissenting*). Moreover, Justice Black even suggested that patentees would be wise to simply bypass the reissue procedure and await the day when courts would enlarge the claims under the doctrine of equivalents, without regard to the passage of time. *Id.* at 616.

⁹ Justice Black feared that: "One need not be a prophet to suggest that today's rhapsody on the virtue of the 'doctrine of equivalents' will, in direct contravention of the *Miller* case *supra*, make enlargement of patent claims the 'rule' rather than the 'exception.'" *Graver Tank*, 339 U.S. at 616 (*Black J., dissenting*).

C. Both Statutes And Case Law Require That The Relief Available For Infringement By Equivalents Should Involve The Same Equitable Considerations That Apply To Infringement Of A Reissue Patent.

Inasmuch as the doctrine of equivalents, like the provisions for reissuing patents, is clearly an equitable remedy, any relief granted to the patentee thereunder should be based on the traditional equitable principles, such as those which would have been considered by the early Court of Chancery. *Graver Tank*, 339 U.S. at 607-9; *Miller*, 104 U.S. at 355.¹⁰

Thus, the same factors which the *Graver Tank* Court enumerated as being appropriate for inquiry to determine if the doctrine of equivalents should apply at all should likewise be considered in fashioning any relief for the patentee. As was previously noted, the importance of these factors was recognized and appreciated by Judge Lourie; yet, their significance was lost on the majority in *Hilton Davis*.

Moreover, the Legislature has provided for amendment or correction of the claims in a patent through the reissue process. This same type of claim correction is accomplished by the court in equity when infringement is found by the doctrine of equivalents. The Legislature has further provided that when patent claims are changed during reissue, relief for infringement would be controlled by equitable considerations, both as to past and future infringement.¹¹

¹⁰ Although not binding on this Court, the Seventh Circuit's opinion in the *Union Carbide Corp. v. Graver Tank & Mfg. Co., Inc.*, 196 F.2d 103 (7th Cir. 1952), *cert. denied*, 343 U.S. 967 (1952), *reh'g denied*, 344 U.S. 849 (1952) (case involved the damages issues, including the issue of willful infringement) is enlightening as to the equities which should be weighed in fashioning a remedy where infringement is proven by the doctrine of equivalents.

¹¹ See, footnote 6, *supra*.

The first sentence of the second paragraph of section 252 provides *absolute* freedom from liability for any infringement which took place before the claims were changed, and the second sentence provides for continued freedom on equitable terms. To be sure, the Legislature could not have made it more explicit that it was providing for equitable relief when it provided that "[t]he court . . . may also provide for the continued manufacture . . . and . . . continued practice of any process patented by the reissue . . . under such terms as the court deems equitable . . .". (*emphasis added*).¹² Therefore, a patentee should not be permitted to avoid the Legislative imposition of equitable relief by waiting to invoke the doctrine of equivalents in litigation.

Furthermore, it is generally the patentee that controls the timing of the infringement action and, thus, the timing of application of the doctrine of equivalents. It would therefore seem equitable that the accused infringer be afforded the benefit of similar "intervening rights" as those provided in § 252 for a reissued patent.¹³ Equity compels this result. There can be no justification for placing a patentee who is aware of an infringement, and yet waits to rely on the doctrine of equivalents, in a better position than one who takes the reissue route. At least with the reissue, the public is notified of broader claims within two years of the date of the original patent.¹⁴ In the latter instance, the public is put on notice of the change in patent claims. Clearly, Justice Black appreciated the value of early notice to the public and of the examination of claims by the Patent Office instead of

¹²See, footnote 6, *supra*.

¹³See, footnote 6, *supra*.

¹⁴Section 251, 4th paragraph, of the patent statute provides that: "No reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within two years from the grant of the original patent."

the courts. *Graver Tank*, 339 U.S. at 617 (*Black, J., dissenting*). And, even though Justice Black was expressing a minority view, there can be no doubt that the majority in *Graver Tank* intended to strike an equitable balance between the patentee and the public.

CONCLUSION

For the foregoing reasons, amici request that this Court reverse the Federal Circuit's decision and, in so doing, reaffirm its *Graver Tank* holding that the doctrine of equivalents acts in equity to do "that which ought to be done." *Camp*, 229 U.S. at 559.

Respectfully submitted,

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